

CALIFORNIA EMPLOYER

Second Quarter 2003

A note from the EDD Director:

You can help prevent UI imposter fraud

Protecting the integrity of the Unemployment Insurance (UI) program has always been a top priority for the Employment Development Department (EDD).

Our auditors and investigators monitor, detect, and prosecute anyone attempting to defraud the program.



In response to increasing incidences of identity theft, EDD has implemented new procedures to better deter and detect imposter fraud in the UI program.

Imposter fraud occurs when an individual steals the identity of a legitimate worker to file a false UI claim based upon the name, Social Security number, and wage credits of the legitimate worker.

Your cooperation is crucial to fight imposter fraud. During the course of a UI fraud investigation, EDD may contact you for additional information and ask for a prompt response.

If an investigation reveals that an imposter claim was filed using your employee's information, EDD will take appropriate actions to correct the fraudulent claim and remove charges to your UI account.

If your payroll or personnel data has been compromised, or if you suspect fraudulent activity on your UI employer account, call our toll-free Fraud Hotline at 1-800-229-6297.

We have developed a new brochure that identifies the steps you can take to fight imposter fraud, protect your employees, and control your UI costs.

This brochure, entitled, *How you can prevent UI imposter fraud* (DE 2360ER), is available on EDD's Web site at www.edd.ca.gov, or by calling us at (916) 255-1743.

Michael S. Bernick
EDD Director

Annual interest rate set at 5 percent

The adjusted annual interest rate for the period July 1 through December 31, 2003, for delinquent taxes and contributions will be 5 percent (.05), compounded daily. The daily interest factor will be .000137.

If you have any questions regarding the adjusted annual interest rate, please contact us at 1-888-745-3886.

New law establishes California WARN provisions

Currently, under the provisions of the federal Worker Adjustment and Retraining Notification (WARN) Act, employers with 100 or more full-time employees must give advance notice to workers who are affected by a plant closing, relocation, or mass layoff.

A new State law (AB 2957, Koretz) establishes further State WARN notification requirements for California employers. This legislation, effective January 1, 2003, includes the following California WARN provisions:

- Applies the WARN plant closing, relocation, or mass layoff notice requirements to industrial or commercial facilities with 75 or more full- or part-time employees.

- Adds the Local Workforce Investment Board (LWIB) and the chief elected official of each affected local government to the entities that an employer must notify.
- Imposes additional penalties for noncompliance.

In general, California WARN provisions require employers to give at least 60 days' prior notice of a plant closing, relocation, or mass layoff to EDD, the LWIB, and each city and county government in which the change occurs.

The new law does provide for some exemptions to the types of employers who are covered by this law and some exceptions to the notice requirements.

If an employer does not comply with these requirements, an affected employee, local government, or employee representative may file suit, and the court may impose specific penalties on the employer.



To learn more about this new legislation and the notification requirements, carefully review the WARN provisions on the State Department of Industrial Relations Web site at www.dir.ca.gov (click on "California Labor Code," Part 4, Chapter 4, Sections 1400-1408).

For a comparison of the new California WARN provisions to the federal WARN Act, visit EDD's Web site at www.edd.ca.gov (click on "Services for Employers").

Family Temporary DI takes effect in 2004 —

In 2002, new legislation (Senate Bill 1661) extended disability compensation to individuals who take time off work to care for a seriously ill child, spouse, parent, or domestic partner, or to bond with a new child.



This paid family leave, known as Family Temporary Disability Insurance (FTDI), is being administered by EDD's Disability Insurance Branch.

The FTDI program is a component of State Disability Insurance (SDI) and is funded entirely by workers. Effective January 1, 2004, the SDI rate will include .08 percent (.0008) for FTDI. Benefits are payable for FTDI claims that begin on or after July 1, 2004.

You will continue to withhold SDI up to the taxable wage limit. If you offer a voluntary disability insurance plan in lieu of the State plan, you must provide FTDI as part of the voluntary plan. If you have 50 or more employees, you may have

additional requirements under the federal Family Medical Leave Act (FMLA) and California Family Rights Act (CFRA). (For FMLA information, visit the U.S. Department of Labor Web site at www.dol.gov/esa/whd/fmla/. For CFRA information, visit the State Department of Fair Employment and Housing Web site at www.dfeh.ca.gov/Statutes/cfra.asp.)

To qualify for FTDI, the employee (or self-employed with elective coverage) must be suffering a loss of wages (or loss of profits for self-employed individuals) due to providing care for a seriously ill child, spouse, parent, domestic partner, or bonding with a new child. You may require the employee to use up to two weeks of earned but unused vacation leave prior to receiving FTDI benefits.

For additional information on FTDI, visit our Web site at www.edd.ca.gov/difla.htm. For information on FTDI or SDI benefits, call us at 1-800-480-3287. For more information on FTDI withholdings, call us at 1-888-745-3886.

More Small Business Fairs being offered —

Learn about your federal, State, and local tax and business requirements at one of our upcoming Small Business Fairs held throughout California.

■ San Gabriel Valley

San Gabriel Valley Hotel, Baldwin Park
September 5, 8:30 a.m. – 4 p.m.
Call: (626) 480-8226
E-mail: wcovsmbf@boe.ca.gov

■ Marin

Embassy Suites Hotel, San Rafael
September 18, 9 a.m. – 3:30 p.m.
Call: (707) 576-2300
E-mail: marinsbf@boe.ca.gov

■ Orange County (Small Bus. Tax Day)

CSU, Fullerton
September 26, 8:30 a.m. – 3:30 p.m.
Call: (949) 461-5732
E-mail: octaxday@boe.ca.gov

■ Ventura (Taxpayer Service Day)

Radisson Hotel, Oxnard
October 7, 8 a.m. – 3:30 p.m.
Call: (805) 677-2771
E-mail: ventxday@boe.ca.gov

For further details, visit the State Board of Equalization's Web site at www.boe.ca.gov/sutax/tpsched.htm. These events are free, but reservations are recommended if you plan to attend a workshop.

New Web site has valuable small business info —

California small business owners can now find valuable State business information on-line in one convenient location.



Sponsored by the Governor's Office of the Advocate for

Small Business, you can visit this new Web site at www.smallbusiness.ca.gov to:

- Learn about California's small business community.
- Discover the State-sponsored resources that are available to you.
- See if you qualify for the State's small business programs.
- Review the calendar of events for small business events happening in your area.
- Sign up to receive an electronic newsletter with resources, opportunities, and events via e-mail.

New payment option: EFT via the Internet!

You may now submit your EDD Payroll Tax Deposits (DE 88) via the Internet at no cost! This new electronic funds transfer (EFT) option gives you an easy and secure way to submit your payroll taxes, and provides a 360-day transaction history for up to 100 transactions.



If you are already registered with EDD as an Automated Clearing House (ACH) Debit payer, you can access the Web site at www.payments-govonesolutions.com/caedd, use your EDD employer account number and EFT security code to log on, and submit payments right away.

If you are an ACH Credit payer and are interested in this new option, you may call our EFT Unit at (916) 654-9130 to change your EFT filing status.

Interested in EFT, but not yet registered? It's easy to do – just visit our Web site at www.edd.ca.gov/taxfo.htm#eft for registration information and forms.

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Governor: Gray Davis
Acting Agency Secretary: Stephen J. Smith
EDD Director: Michael S. Bernick
Employment Development Department
P.O. Box 826880
Sacramento, CA 94280-0001

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Loree Levy, Deputy Director
Kevin M. Callori, Editor

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